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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 000087

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SUBJECT: PM SPIRIC PRESENTS PLAN FOR GOVERNING

REF: A. SARAJEVO 0063
[1](#)B. 06 SARAJEVO 3271

Classified By: Charge d'Affaires Judith B. Cefkin, reasons 1.4 (b) and (d).

[1](#)1. (C) SUMMARY: Prior to the vote on his confirmation January 11 to become Bosnia's new Chairman of the Council of Ministers (Prime Minister), Nikola Spiric of the Serb Alliance of Independent Social Democrats (SNSD) presented a detailed work plan for the new government. In a 40-minute speech before the inaugural session of the BiH House of Representatives, Spiric laid out an ambitious and detailed plan on his government's overall agenda, as well as specific goals for each of the nine State-level ministries. Spiric said the key priorities of his government would be accession to NATO and the EU, and that his reform agenda would be informed by accession requirements. Reviews of the speech were generally positive, but Spiric's assertion that constitutional reform should be based on the April package likely will meet firm resistance from his coalition partners (and April package opponents) Party for BiH (SBiH) and the Croatian Democratic Union 1990 (HDZ-1990). Spiric asserted that the Police Reform Directorate (PRD) works for parliament, not the other way around, and his the Council of Ministers (CoM) will not be bound by the PRD report. Nevertheless, he left the door open for political talks by expressing his interest in seeing parties reach an agreement on police reform. END SUMMARY.

[1](#)2. (C) New Chairman of Bosnia's Council of Ministers (Prime Minister) Nikola Spiric laid out an ambitious agenda for his new government just prior to the BiH House of Representatives' vote to confirm him. The plan, which ran to 22 pages, contrasts starkly with that presented by former PM Adnan Terzic of the Bosniak Party of Democratic Action (SDA) four years ago, which was only two pages long and contained no detailed goals. Whether this contrast reflects a difference in style or is a real, substantive shift remains to be seen, but one thing is certain: Spiric had done his homework, and was keen to deliver the message that he seeks a government of professional, competent and enthusiastic group of ministers who are ready to work together. He urged the coalition parties to send their best people to be ministers in the new government, and pledged to work hard to implement reforms that would help prepare Bosnia for accession to the EU and NATO.

SPIRIC'S PLAN

[1](#)3. (U) Spiric's plan was divided into two main parts:

overall programmatic goals and a work plan for the nine State-level ministries. His speech ended with a statement on his philosophy. He said the choice before the leaders of Bosnia was clear: immobility or action. "My choice is action. I know that your choice is the same." He urged the MPs to unite around a joint plan, but emphasized that the opposition would be key to success. He promised to listen to all proposals, suggestions and criticisms, because listening to conflicting ideas was the surest way to ensure that his highest priority, protecting the interests of the state and its citizens, was fulfilled.

PROGRAMMATIC GOALS -- EU AND NATO ACCESSION ABOVE ALL

14. (U) Spiric stated up front that the overall goals of his government plan were shaped by the need to resolve certain issues relevant to the signing of a Stabilization and Association Agreement (SAA) with the EU and eventual EU accession. Those issues included police reform, public broadcasting reform, cooperation with the Hague Tribunal, combatting corruption, reform of sentencing guidelines for criminals and education reform. On police reform, Spiric expressed the need for joint work, compromise and an acceptance of political realities by all parties. Nevertheless, he pointedly noted that the Police Reform Directorate (PRD), which recently issued its final report (ref B), worked for the parliament, not the other way around.

He said the new CoM would carefully examine the PRD's recommendations, but it was in no way bound to accept them. On public broadcasting, he said the new government would need to find a compromise acceptable to all of Bosnia's constituent peoples to make the system rational and functional. Spiric pledged to work through the Ministries of

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Security and Defense to cooperate fully with the International Criminal Tribunal for the Former Yugoslavia (ICTY) to apprehend remaining war crimes suspects. He also pledged the CoM's support for passage of a state law on higher education and for additional complementary laws to ensure efficient implementation at the entity and cantonal levels.

15. (U) On other law and order issues, such as combatting corruption, Spiric encouraged the participation of non-governmental organizations and the media, noting they often were the first to hear allegations of corruption. He also called for harsher sentences for criminals convicted of crimes against women and children, as well as for organized crime, financial crimes and judicial and administrative corruption.

16. (U) Among the government's other priorities were preparations for NATO accession. Spiric said "NATO membership demands significant financial and human resources, which we will have to be prepared to give. However, no military budget is too high if it guarantees the security and stability NATO offers." On constitutional reform, Spiric said it would not be easy, but it will be necessary for the parties to set aside their political differences and reach a compromise. He said the April package should form the basis for moving forward with constitutional reform, and he thanked the U.S. government and Ambassador McElhaney for their engagement on the issue. He asked that the U.S. remain engaged, and said he hoped to create an atmosphere conducive to political dialogue within Bosnia and one with a unified approach from Brussels and Washington.

17. (U) Spiric also pledged to move forward with the full implementation of the Dayton Accord, including Annex 10 (Agreement on Civil Implementation of the Peace Settlement) to allow for the transition from OHR to an EU Special Representative (EUSR). He called for the implementation of the Agreement on the Succession of Property and for regulation of state property, and for resolving remaining

boundary issues with neighboring states. He said the government would support a variety of economic reforms, including reconsideration of implementing differentiated value-added tax (VAT) rates. Finally, Spiric said his government would work to: promote tourism and environmental protection; increase youth employment opportunities, especially within the civil service; return of refugees and displaced persons; build the corridor 5C motorway; develop a nationwide natural gas network; and support the work of truth commissions aimed at encouraging reconciliation.

SPECIAL ISSUES

18. (U) Among the issues of special concern to Spiric personally are reopening the issue of shortening the period for settling the claims made by citizens on foreign currency reserves frozen during the war. The prescribed period is 13 years. (COMMENT: Finding a way to pay for such a proposal is sure to be problematic. END COMMENT.) Spiric says he wants to find a way to repay the account holders over slightly more than five years. He also cited passage of a law on the seizure of illegally acquired property (a cause championed by the opposition Social Democratic Party (SDP) but opposed by nationalist powerhouses SDA, SBiH and HDZ) and a law on restitution of property nationalized after 1945.

POTENTIAL COUNCIL OF MINISTERS LINEUP

19. (C) Spiric said he expected to announce his ministerial choices within a week. In conversations with our contacts, the following appear to be the likely choices to lead the nine state level ministries, although the situation remains in flux. Biographic information will be reported septel once Spiric formally announces the lineup.

Foreign Affairs: Sven Alkalaj (SBiH)
Defense: Semso Cikotic (SDA)
Foreign Trade: Slobodan Puhovac (SNSD)
Civil Affairs: Sredoje Novic or Krstan Simic (SNSD)
Justice: Borjana Kristo or Barisa Colak (HDZ-BiH)
Finance: Dragan Vrankic (HDZ-BiH)
Human Rights and Refugees: Safet Halilovic (SBiH)
Transportation and Communication: Bozo Ljubic or Rudo Vidovic (HDZ-1990)

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Security: Sadik Ahmetovic or Mirsad Kebo (SDA)

110. (C) COMMENT: Spiric cast himself as a serious political leader ready to take charge of Bosnia's destiny and lead it towards Euro-Atlantic integration. His presentation of an ambitious and detailed governing program is reason to hope that his pose is sincere. On the other hand, Spiric is Dodik's man, and in the past he has failed to deliver on commitments after receiving contradictory instructions; and, Dodik's recent public statements about State-level government and institutions do not imply a willingness to invest much time, energy or political capital in Sarajevo. Provided State-level institutions do not undercut Dodik's aim of moving the RS forward economically regardless of what happens in the Federation, Spiric may have room to govern as his own man. Of course, this presumes Spiric can master the competing political agendas (and egos) of an unwieldy seven-party coalition government that few outside it expect to function efficiently. One MP, a member of SBiH, when asked whether she hoped for a ministerial job, told us she had no desire "to sit (on the CoM) with those idiots," and predicted the coalition would fall apart quickly. Nevertheless, looking at the composition of the likely CoM, it appears Spiric's entreaty for parties to select professionals not politicians to lead the ministries seems to have been taken seriously by most of his coalition partners, a fact that could improve the government's ability to tackle some serious reforms. END COMMENT.

